

Message Text

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ACTION SAB-02

INFO OCT-01 ARA-10 ISO-00 L-03 SS-15 SSO-00 /031 W
-----104698 191912Z /45

O 191711Z AUG 77
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC IMMEDIATE 3260
INFO PANCANAL IMMEDIATE
USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 PANAMA 5955

FOR S/AB, L, ARA/PAN FROM KOZAK AND CHESTER

E.O. 11652: GDS
TAGS: PBOR, PN
SUBJECT: PANAMA CANAL TREATY NEGOTIATIONS: DRAFTING

ANNEX B

PROCEDURES FOR THE CESSATION OR TRANSFER OF ACTIVITIES CARRIED
OUT BY THE PANAMA CANAL COMPANY AND THE CANAL ZONE GOVERNMENT AND
ILLUSTRATIVE LIST OF THE FUNCTIONS THAT SHALL BE PERFORMED
BY THE PANAMA CANAL COMMISSION

1. THE LAWS OF THE REPUBLIC OF PANAMA SHALL REGULATE THE
EXERCISE OF PRIVATE ECONOMIC ACTIVITIES WITHIN THE AREAS MADE
AVAILABLE FOR THE USE OF THE UNITED STATES OF AMERICA PURSUANT
TO THIS TREATY. NATURAL OR JURIDICAL PERSONS WHO, AT LEAST
6 MONTHS PRIOR TO THE DATE OF SIGNATURE OF THIS TREATY, WERE
LEGALLY ESTABLISHED AND ENGAGED IN THE EXERCISE OF ECONOMIC
ACTIVITIES IN THE FORMER CANAL ZONE, MAY CONTINUE SUCH ACTIVITIES
IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPHS 2-7 OF ARTICLE
IX OF THIS TREATY.

2. THE PANAMA CANAL COMMISSION SHALL NOT PERFORM GOVERNMENTAL
OR COMMERCIAL FUNCTIONS AS STIPULATED IN PARAGRAPH 4 OF THIS
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ANNEX, PROVIDED, HOWEVER, THAT THIS SHALL NOT BE DEEMED TO LIMIT
IN ANY WAY THE RIGHT OF THE UNITED STATES OF AMERICA TO PERFORM
THOSE FUNCTIONS THAT MAY BE NECESSARY FOR THE EFFICIENT
MANAGEMENT, OPERATION AND MAINTENANCE OF THE CANAL.

3. IT IS UNDERSTOOD THAT THE PANAMA CANAL COMMISSION, IN
THE EXERCISE OF THE RIGHTS OF THE UNITED STATES WITH RESPECT

TO THE MANAGEMENT, OPERATION AND MAINTENANCE OF THE CANAL,
MAY PERFORM FUNCTIONS SUCH AS ARE SET FORTH BELOW BY WAY OF
ILLUSTRATION:

1. MANAGEMENT OF THE CANAL ENTERPRISE.
2. AIDS TO NAVIGATION OF CANAL WATERS AND IN PROXIMITY
THERETO.
3. REGULATION OF VESSEL MOVEMENT.
4. OPERATION AND MAINTENANCE OF THE LOCKS.
5. TUG SERVICE FOR THE TRANSIT OF VESSELS AND DREDGING
FOR THE PIERS AND DOCKS OF THE PANAMA CANAL COMMISSION.
6. CONTROL OF THE WATER LEVELS IN LAKES ALAJUELA, GATUN AND
MIRAFLORES.
7. NON-COMMERCIAL TRANSPORTATION SERVICES IN CANAL WATERS.
8. METEOROLOGICAL AND HYDROGRAPH SERVICES.
9. ADMEASUREMENT.
10. NON-COMMERCIAL MOTOR TRANSPORT AND MAINTENANCE.
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11. INDUSTRIAL SECURITY THROUGH THE USE OF WATCHMEN.
12. PROCUREMENT AND WAREHOUSING.
13. TELECOMMUNICATIONS.
14. PROTECTION OF THE ENVIRONMENT BY PREVENTING
AND CONTROLLING SPILLAGE OF OIL AND SUBSTANCES HARMFUL TO HUMAN
OR ANIMAL LIFE AND OF THE ECOLOGICAL EQUILIBRIUM IN AREAS USED
IN OPERATION OF THE CANAL AND THE ANCHORAGES.
15. NON-COMMERCIAL VESSEL REPAIR.
16. AIR CONDITIONING SERVICES IN CANAL INSTALLATIONS.
17. INDUSTRIAL SANITATION AND HEALTH SERVICES.
18. ENGINEERING DESIGN CONSTRUCTION AND MAINTENANCE OF CANAL
COMMISSION INSTALLATIONS.
19. DREDGING OF THE CANAL CHANNEL, TERMINAL PORTS AND ADJACENT

WATERS.

20. NON-COMMERCIAL HANDLING OF CARGO ON THE PIERS AND DOCKS OF THE CANAL COMMISSION.

22. MAINTENANCE IN PUBLIC AREAS OF THE CANAL COMMISSION SUCH AS PARKS AND GARDENS.

23. GENERATION OF ELECTRIC POWER.

24. PURIFICATION AND SUPPLY OF WATER.

25. MARINE SALVAGE IN CANAL WATERS.

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26. SUCH OTHER FUNCTIONS AS MAY BE NECESSARY OR APPROPRIATE TO CARRY OUT, IN CONFORMITY WITH THIS AND RELATED AGREEMENTS, THE RIGHTS AND RESPONSIBILITIES OF THE UNITED STATES OF AMERICA WITH RESPECT TO THE MANAGEMENT, OPERATION AND MAINTENANCE OF THE PANAMA CANAL.

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ACTION SAB-02

INFO OCT-01 ARA-10 ISO-00 L-03 SS-15 SSO-00 /031 W
-----105024 191912Z /45

O 191711Z AUG 77

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 3261

INFO PANCANAL IMMEDIATE

USCINCSO IMMEDIATE

C O N F I D E N T I A L SECTION 2 OF 2 PANAMA 5955

FOR S/AB, L, ARA/PAN FROM KOZAK AND CHESTER

4. THE FOLLOWING ACTIVITIES AND OPERATIONS CARRIED OUT BY THE PANAMA CANAL COMPANY AND THE CANAL ZONE GOVERNMENT SHALL BE DISCONTINUED BY THE PANAMA CANAL COMMISSION EFFECTIVE

UPON THE DATES INDICATED HEREIN.

(A) UPON THE DATE OF ENTRY INTO FORCE OF THIS TREATY:

(I) WHOLESALE AND RETAIL STORES, INCLUDING COMMISSARIES,
FOOD STORES, DEPARTMENT STORES, OPTICAL SHOPS AND PASTRY SHOPS;

(II) FACILITIES FOR THE PRODUCTION OF FOOD AND DRINK, INCLUDING
MILK PRODUCTS PLANTS AND BAKERIES;

(III) PUBLIC RESTAURANTS AND CAFETERIAS AND THE SALE OF ARTICLES
THROUGH VENDING MACHINES.

(IV) MOVIE THEATERS, BOWLING ALLEYS AND OTHER RECREATIONAL AND
AMUSEMENT FACILITIES FOR THE USE OF WHICH A CHARGE IS PAYABLE;

(V) LAUNDRY AND DRY CLEANING PLANTS OTHER THAN THOSE OPERATED
FOR OFFICIAL USE;

(VI) FACILITIES FOR THE REPAIR AND SERVICE OF PRIVATELY
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OWNED AUTOMOBILES OR THE SALE OF PETROLEUM OR LUBRICANTS THERETO,
INCLUDING GASOLINE STATIONS, REPAIR GARAGES AND TIRE REPAIR
AND RECAPPING FACILITIES, AND OF OTHER PRIVATELY OWNED PROPERTY,
INCLUDING APPLIANCES, ELECTRONIC DEVICES, BOATS, MOTORS,
AND FURNITURE;

(VII) COLD STORAGE AND FREEZER PLANTS OTHER THAN THOSE
OPERATED FOR OFFICIAL USE;

(VIII) FREIGHT HOUSES OTHER THAN THOSE OPERATED FOR
OFFICIAL USE;

(IX) COMMERCIAL SERVICES TO AND SUPPLY OF PRIVATELY
OWNED AND OPERATED VESSELS, INCLUDING THE CONSTRUCTION OF
VESSELS, THE SALE OF PETROLEUM, LUBRICANTS AND THE REVISION OF
WATER, TUG SERVICES NOT RELATED TO THE CANAL OR OTHER UNITED
STATES GOVERNMENT OPERATIONS, AND REPAIR OF SUCH VESSELS,
EXCEPT IN SITUATIONS WHERE REPAIRS MAY BE NECESSARY TO
REMOVE DISABLED VESSELS FROM THE CANAL;

(X) PRINTING SERVICES OTHER THAN FOR OFFICIAL USE;

(XI) MARITIME TRANSPORTATION FOR THE USE OF THE GENERAL
PUBLIC;

(XII) HEALTH AND MEDICAL SERVICES PROVIDED TO INDIVIDUALS,
INCLUDING HOSPITALS, LEPROSARiums, VETERINARY, MORTUARY AND
CEMETARY SERVICES;

(XIII) EDUCATIONAL SERVICES NOT FOR PROFESSIONAL TRAINING,
INCLUDING SCHOOLS AND LIBRARIES;

(XIV) POSTAL SERVICES;
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(XV) IMMIGRATION, CUSTOMS AND QUARANTINE CONTROLS, EXCEPT THOSE
MEASURES NECESSARY TO ENSURE THE SANITATION OF THE CANAL;

(XVI) COMMERCIAL PIER AND DOCK SERVICES, SUCH AS THE
HANDLING OF CARGO AND PASSENGERS; AND

(XVII) ANY OTHER COMMERCIAL FUNCTION OF A SIMILAR NATURE.

(B) WITHIN 30 CALENDAR MONTHS FROM THE DATE OF ENTRY
INTO FORCE OF THIS TREATY, GOVERNMENTAL SERVICES SUCH AS:

(I) POLICE;

(II) COURTS;

(III) PRISON SYSTEM.

5. (A) WITH RESPECT TO THOSE ACTIVITIES OR FUNCTIONS DESCRIBED
IN PARAGRAPH 4 ABOVE OR OTHERWISE AGREED UPON BY THE TWO
GOVERNMENTS WHICH ARE TO BE ASSUMED BY THE GOVERNMENT OF
THE REPUBLIC OF PANAMA OR BY PRIVATE PERSONS SUBJECT TO
ITS REGULATORY AUTHORITY, THE TWO GOVERNMENTS SHALL CONSULT
PRIOR TO THE DISCONTINUANCE OF SUCH ACTIVITIES OR FUNCTIONS
BY THE PANAMA CANAL COMMISSION TO DEVELOP APPROPRIATE ARRANGEMENTS
FOR THE ORDERLY TRANSFER AND CONTINUED EFFICIENT OPERATION
OR CONDUCT THEREOF.

(B) IN THE EVENT THAT APPROPRIATE ARRANGEMENTS CANNOT BE
ARRIVED AT TO ENSURE THE CONTINUED PERFORMANCE OF A PARTICULAR
ACTIVITY OR FUNCTION DESCRIBED IN PARAGRAPH 4 ABOVE WHICH
IS NECESSARY TO THE EFFICIENT ADMINISTRATION, OPERATION OR
MAINTENANCE OF THE CANAL, THE CANAL COMMISSION MAY, TO THE
EXTENT CONSISTENT WITH THE OTHER PROVISIONS OF THIS TREATY
AND RELATED AGREEMENTS, CONTINUE TO PERFORM SUCH ACTIVITY
OR FUNCTION UNTIL SUCH ARRANGEMENTS CAN BE MADE. END TEXT.
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Message Attributes

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